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Counsel for Defendant Libre by Nexus, Inc.

**IN THE UNITED STATES DISTRICT COURT
THE NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

JUAN QUINTANILLA VASQUEZ,
GABRIELA PERDOMO ORTIZ, VICTOR
HUGO CATALAN MOLINA, AND KEVIN
CALDERON, INDIVIDUALLY AND ON
BEHALF OF ALL OTHERS SIMILARLY
SITUATED,

Plaintiff,

v.

LIBRE BY NEXUS, INC. and JOHN DOES 1-
50,

Defendants.

Case No. 4:17-cv-00755-CW

Action Filed: **Status Update**

TO THE COURT AND ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

On November 4, 2022, the Court issued an order for each side to file a status report addressing the status of LBN's compliance with the Court's October 3, 2022 Order. The following status updates are made in accordance with the Court's Order:

1 1. The Court ordered LBN to pay the amounts it owes under various terms of the
2 settlement agreement:

3 On November 14, 2022, LBN sent a payment of \$2,000.00 to the settlement
4 administrator. Due to current financial shortcomings, LBN will be making weekly payments of
5 \$2,000.00 until all payments are completed. Should LBN's financial performance improve, the
6 amount paid will increase accordingly. This amount constitutes the maximum amount of money
7 LBN can possibly pay and remain open and able to continue to indemnify tens of thousands of
8 existing immigration bonds.

9
10 LBN has suffered revenue losses because of the pandemic and the increased and
11 unconventional immigration enforcement activities of the Trump administration, many of which
12 have continued under the present administration. Obviously, a reduction in the number of people
13 needing Libre's assistance is a positive development, but unfortunately scores of people who
14 would need Libre's help are held in cross border detention camps or find themselves held in
15 immigration custody without the possibility of posting bond. LBN provides the following
16 revenue information for the prior 5 years to effectively demonstrate the significance of the
17 revenue shortfalls. LBN is in the process of preparing financial documentation that show the
18 following revenue information.

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20
21 **Revenue Totals**

22		
23	October 2018:	\$3,353,058.02
24	October 2019:	\$3,838,477.70
25	October 2020:	\$1,847,927.05
26	October 2021:	\$1,145,348.00

1 October 2022: \$503,353.00

2 LBN's reduction in revenue have made it impossible for LBN to make the
3 payments ordered by the Court. In fact, these same revenue shortfalls made it impossible for
4 LBN to comply with the Court's prior orders related to the payments of money. LBN is not in
5 contempt of Court for its failure to pay the monies ordered, because LBN is and was unable to
6 make the payments because of these revenue shortfalls.

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8 2. The Court ordered LBN to provide Plaintiffs business records and documents
9 sufficient to show that it has implemented various discounts and credits required under the terms
10 of the settlement agreement:

11 On November 14, 2022, LBN send Plaintiffs 25 participant files that show DEBT
12 RELIEF CREDITS applied to participants accounts. Unfortunately, Lightspeed does not offer
13 easy export features to just send all Debt Relief recipients. LBN continues to work diligently with
14 limited staff to get final documents to Plaintiffs. LBN estimates to have the remaining 25
15 documents to Plaintiffs within 2 weeks.

16
17 In addition to the rolling production of the remainder of the above files over the next
18 two weeks, LBN will also produce the remaining reports on a rolling basis, as follows: Remaining
19 reports – begin producing December 1, 2022, with complete production by January 30, 2023. LBN
20 apologizes to the Court for the delay. LBN asserts that the records the Court requires are being
21 created in a new database system and are not records it currently has in an exportable format. As
22 a result, these records will be produced as the new database system is updated with a full data
23 migration from prior systems.

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26 3. The Court imposed on LBN a fine of \$1000.00 per day of continued non-

1 compliance as to each of the subject matters regarding which the Court separately ordered LBN to
2 take certain actions:

3 Due to the lack of financial resources, LBN has been unable to pay the fine. LBN is
4 booking the fine into its books as monies owed. Additionally, LBN anticipates filing a motion to
5 reconsider and/or a motion for interlocutory appeal, upon its acquisition of new counsel in this
6 case.
7

8 4. Finally, as the Court is aware we have had difficulty in receiving legal guidance
9 from current counsel. In fact, only undersigned counsel has been assisting in the ministerial filing
10 of responses ordered by the Court. The majority of the attorneys who have been required to remain
11 in this case by the Court have no contact with LBN or its principals regarding legal
12 guidance/strategy. LBN has asked counsel to convey to the Court that the presence of multiple
13 attorneys in this matter, and the Court's refusal to permit them to withdraw, is making it nearly
14 impossible for LBN to acquire new counsel. Given the tenor of the litigation at present, all parties
15 have an interest in LBN retaining counsel of their choice, and counsel willing to work with LBN.
16 LBN respectfully requests that the Court permit the withdraw of all (or most) of its current
17 attorneys so that the company may more efficiently hire replacement counsel, and that the Court
18 permit LBN 30 days to retain new counsel.
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1 DATED: November 14, 2022

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By: /s/ John M. Shoreman
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Attorneys for *Counsel for Defendant Libre by*
Nexus, Inc.